

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.  
  
v. : Criminal Number:  
  
ALEKSANDR SIROTA, : Title 18, United States Code,  
a/k/a "Alexander Sirota," : Sections 1347, 1349, 1512,  
ELIZABETH DEGUZMAN, : 1956, and 2  
GRIGORY SIROTA,  
a/k/a "Grisha Sirota," and :  
JACK MELMAN,  
a/k/a "Yaakov Melman" :

I N D I C T M E N T

The Grand Jury in and for the District of New Jersey,  
sitting at Newark, charges as follows:

COUNT ONE

**(Conspiracy to Commit Health Care Fraud -  
Title 18, United States Code, Section 1349)**

Introduction

1. At various times relevant to this Indictment unless  
otherwise stated:

**The Defendants and Other Parties**

a. Defendant ALEKSANDR SIROTA, a/k/a "Alexander  
Sirota," was a resident of New Jersey and a principal of TFS  
Management Services, Inc. (hereinafter "TFS"), which later did  
business as ADS Management Services, Inc. (hereinafter "ADS").  
TFS and ADS were incorporated in New Jersey. Defendant ALEKSANDR  
SIROTA, through TFS and later ADS, submitted claims for payments  
to various insurance companies located in New Jersey and  
elsewhere on behalf of medical doctors who operated out of an

office in Elizabeth, New Jersey (hereinafter "Elizabeth Office"). TFS and ADS maintained corporate accounts at banks located in New Jersey (hereinafter "TFS Account" and "ADS Account," respectively), and defendant ALEKSANDR SIROTA controlled and was the authorized signatory on both accounts.

b. Defendant ELIZABETH DEGUZMAN, a licensed physical therapist in New Jersey, worked at the Elizabeth Office as a physical therapist.

c. Defendant GRIGORY SIROTA, a/k/a "Grisha Sirota," worked at the Elizabeth Office. Defendant GRIGORY SIROTA was not a licensed medical professional, and he did not possess any medical license issued by the State of New Jersey. Defendant GRIGORY SIROTA was also a principal of Continental Medical Supplies (hereinafter "Continental"), a company incorporated in New Jersey that purportedly bought and sold medical supplies. Continental maintained a corporate bank account at a bank located in New Jersey (hereinafter "Continental Account"). Defendant GRIGORY SIROTA controlled and was the authorized signatory on this account.

d. Defendant JACK MELMAN, a/k/a "Yaakov Melman," was a resident of New Jersey and the principal of several companies purportedly engaged in the purchase and sale of medical supplies and equipment.

e. V.R., a co-conspirator not named as a defendant herein, was a licensed doctor of medicine in New Jersey and New York. Co-Conspirator V.R. was the sole principal of a professional medical corporation established under his name that operated out of the Elizabeth Office.

f. I.Z., a co-conspirator not named as a defendant herein, was a licensed doctor of medicine in New Jersey who specialized in osteopathic medicine. Co-Conspirator I.Z. was the sole principal of a professional corporation established under her name that operated out of the Elizabeth Office.

g. L.W., a co-conspirator not named as a defendant herein, was a resident of New Jersey and the principal of Premier Sales and Marketing (hereinafter "Premier Sales"), a company incorporated in New Jersey. Premier Sales maintained a corporate bank account at a bank located in New Jersey (hereinafter "Premier Sales Account"). Co-Conspirator L.W. controlled and was the authorized signatory on this account. Co-Conspirator L.W. also maintained a personal bank account at a bank located in New Jersey (hereinafter "L.W. Account"), and Co-Conspirator L.W. controlled and was the authorized signatory on this account.

h. Several companies, including L.M.I.G., S.F.I.C., A.M.I.C., and A.I.G. and others, each doing business in New Jersey, engaged in the business of providing automobile insurance to motorists (hereinafter collectively "the victim insurance companies").

### **Overview of Automobile Insurance & Medical Billing Process**

2. Under New Jersey law, any individual who owned a motor vehicle registered in the state was required to maintain liability insurance against losses resulting from death, injury, and property damage arising from use of the motor vehicle. All standard insurance policies in New Jersey included Personal Injury Protection, or "PIP" benefits. Under PIP, the victim insurance companies were required to pay the necessary and reasonable medical expenses arising from injuries sustained as a result of a motor vehicle collision, regardless of the individual's fault or liability.

3. Individuals involved in motor vehicle collisions often received medical treatments and services from medical professionals in the fields of physical medicine and rehabilitation. PIP coverage in these fields included osteopathic manipulation treatments (hereinafter "OMT"), manual therapy, and modality treatments. OMT involved the hands-on treatment and adjustments of the muscles, bones, and ligaments by a licensed medical doctor. Manual therapy was a form of physical

therapy whereby trained and licensed practitioners used their hands to manipulate joints and to put pressure on muscle tissue to decrease pain caused by muscle spasm, muscle tension, and joint dysfunction. Modality treatments included a variety of treatments used to strengthen, relax, and heal muscles and body tissues, such as ultrasound, electrical stimulation, diathermy, and therapeutic exercises and activities.

4. To obtain PIP payments, the medical professional providing services, or the billing company acting on his or her behalf (hereinafter "medical provider"), was required to submit to the pertinent insurance company certain documents, including bills and medical records, to support the services rendered to the patient. On these documents, the medical provider was required to truthfully report to the insurance company, among other things: (a) the type of treatment or service provided to the patient; (b) the date when such treatment or service was provided to the patient; (c) the diagnosis or diagnoses; and (d) the identity of the medical professional providing the treatment or service.

5. To identify the treatment and service rendered to the patient, the medical provider used certain codes, known as Current Procedure Terminology Codes ("CPT Codes"). The CPT Codes provided a shorthand description of the medical treatment and service rendered by the medical provider. A corresponding fee

was assigned for each code. The insurance companies relied on the bills and documents, including the CPT Codes supplied by the medical provider, to pay bills submitted on behalf of patients.

6. The pertinent insurance company issued checks, made payable to the medical provider, to pay for PIP-covered treatments and services rendered to patients by the medical provider.

7. In or around May 2001, certain regulations passed by the New Jersey Legislature became effective. These regulations imposed a \$90 daily maximum allowable fee for physical medicine and rehabilitation treatments and procedures (hereinafter "\$90 cap"), including ultrasound, electrical stimulation, diathermy, manual therapy, and therapeutic exercises. This \$90 cap, however, did not apply to OMT provided by a licensed medical doctor or to therapeutic activities.

### **The Conspiracy**

8. From in or around early 1998 through in or around February 2004, in the District of New Jersey and elsewhere, defendants

ALEKSANDR SIROTA,  
a/k/a "Alexander Sirota,"  
and  
GRIGORY SIROTA,  
a/k/a "Grisha Sirota,"

knowingly and willfully conspired and agreed with each other, Co-Conspirator V.R., and others to execute a scheme and artifice to defraud a health care benefits program, as defined under Title 18, United States Code, Section 24(b), and to obtain, by means of false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of health care benefit programs, namely, insurance plans provided by the victim insurance companies, in connection with the delivery of and payment for health care benefits, items, and services, contrary to Title 18, United States Code, Section 1347.

### **Object of the Conspiracy**

9. The object of the conspiracy was for the defendants and their co-conspirators to unlawfully enrich themselves by submitting and causing to be submitted to insurance companies materially false and fraudulent bills, medical records, and other documents.

### **Manner and Means of the Conspiracy**

10. It was part of the conspiracy that defendant ALEKSANDR SIROTA and Co-Conspirator V.R. established a professional medical corporation in Co-Conspirator V.R.'s name that operated out of the Elizabeth Office. From in or around early 1998 to in or around February 2004, many of the patients of Co-Conspirator V.R.'s professional medical corporation were individuals who claimed to have been injured in motor vehicle collisions and had PIP coverage.

11. It was further part of the conspiracy that defendant ALEKSANDR SIROTA, using a nominee, established TFS. TFS, and later ADS, submitted and caused to be submitted bills to insurance companies on behalf of Co-Conspirator V.R.'s professional medical corporation.

12. It was further part of the conspiracy that, in or around January 2001, defendant ALEKSANDR SIROTA and Co-Conspirator V.R. entered into a "Management Agreement." Under the terms of this Management Agreement, Co-Conspirator V.R. was



required to pay defendant ALEKSANDR SIROTA, through TFS, an annual fee of \$440,000 for managing Co-Conspirator V.R.'s medical practice. This provision of the Management Agreement was false and intended to conceal the fact that defendant ALEKSANDR SIROTA and Co-Conspirator V.R. split the gross profits they had obtained from the victim insurance companies, with defendant ALEKSANDR SIROTA receiving approximately 75% of such profits (hereinafter "fee splitting arrangement").

13. It was further part of the conspiracy that defendant ALEKSANDR SIROTA and Co-Conspirator V.R. falsely billed the victim insurance companies for medical treatments and services, such as OMT, ultrasound, diathermy, and therapeutic exercises and activities, that had not actually been rendered to patients. To circumvent the \$90 cap, defendant ALEKSANDR SIROTA falsely billed the victim insurance companies for OMT when such treatment was not actually rendered to patients.

14. It was further part of the conspiracy that defendants ALEKSANDR SIROTA and GRIGORY SIROTA and Co-Conspirator V.R. caused bills to be submitted to the victim insurance companies for medical treatments and services, including electrical stimulation and ultrasound, while concealing from the insurance companies that such treatments and services had been rendered by unlicensed and unqualified individuals, such as defendant GRIGORY SIROTA.

15. It was further part of the conspiracy that Co-Conspirator V.R. fabricated medical records, such as progress notes, to fraudulently bill the victim insurance companies and to induce them to pay for treatments and services that had not actually been rendered to patients, or that had been rendered by unlicensed and unqualified individuals.

All in violation of Title 18, United States Code, Section 1349.

**COUNT TWO**  
**(Conspiracy to Commit Health Care Fraud -**  
**Title 18, United States Code, Section 1349)**

1. The allegations set forth in Paragraphs 1 through 7 of Count One of this Indictment are hereby realleged as if set forth fully herein.

**The Conspiracy**

2. From in or around February 2004 through in or around June 2005, in the District of New Jersey and elsewhere, defendants

ALEKSANDR SIROTA,  
a/k/a "Alexander Sirota,"  
GRIGORY SIROTA,  
a/k/a "Grisha Sirota," and  
ELIZABETH DEGUZMAN

knowingly and willfully conspired and agreed with each other, Co-Conspirator I.Z., and others to execute a scheme and artifice to defraud a health care benefits program, as defined under Title 18, United States Code, Section 24(b), and to obtain, by means of false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of health care benefit programs, namely, insurance plans provided by the victim insurance companies, in connection with the delivery of and payment for health care benefits, items, and services, contrary to Title 18, United States Code, Section 1347.

### **Object of the Conspiracy**

3. The object of the conspiracy was for the defendants and their co-conspirators to unlawfully enrich themselves by submitting and causing to be submitted to insurance companies materially false and fraudulent bills, medical records, and other documents.

### **Manner and Means of the Conspiracy**

4. It was part of the conspiracy that defendant ALEKSANDR SIROTA and Co-Conspirator I.Z. established a professional medical corporation in Co-Conspirator I.Z.'s name that operated out of the Elizabeth Office. From in or around February 2004 to in or around June 2005, many of the patients of Co-Conspirator I.Z.'s professional medical corporation were individuals who claimed to have been injured in motor vehicle collisions and had PIP coverage.

5. It was further part of the conspiracy that defendant ALEKSANDR SIROTA, through his company ADS, submitted bills to the victim insurance companies on behalf of Co-Conspirator I.Z.'s professional medical corporation.

6. It was further part of the conspiracy that defendant ALEKSANDR SIROTA and Co-Conspirator I.Z. split the gross profits they had obtained from the victim insurance companies.

7. It was further part of the conspiracy that defendants ALEKSANDR SIROTA, GRIGORY SIROTA, ELIZABETH DEGUZMAN, and Co-Conspirator I.Z. falsely billed the victim insurance companies for medical treatments and services, such as OMT, manual therapy, follow-up evaluations, ultrasound, and therapeutic exercises and activities, that had not actually been rendered to patients. To circumvent the \$90 cap, defendant ALEKSANDR SIROTA falsely billed the victim insurance companies for OMT when such treatment was not actually rendered to patients.

8. It was further part of the conspiracy that Co-Conspirator I.Z. coached and instructed patients to lie about their physical condition to permit defendant ALEKSANDR SIROTA and his co-conspirators to continue to fraudulently bill insurance companies for additional treatments and services. For example:

a. On or about May 10, 2004, after several visits, Co-Conspirator I.Z. spoke with an individual whom she believed to be a patient but was an individual assisting federal agents in an undercover capacity (hereinafter "U.C."). During this conversation, Co-Conspirator I.Z. told the U.C., in substance and in part, "To undergo treatment. . . . to me the truth, but to everybody else it's necessary to complain," or words to that effect.

b. On or about September 22, 2004, after several more visits, Co-Conspirator I.Z. told the U.C., in substance and in part, that if the U.C. reported that nothing hurt then the U.C. would receive, "No compensation.' Nothing! And you won't get anything. But if I write that you still have some pain left. . . .," or words to that effect.

9. It was further part of the conspiracy that defendants ALEKSANDR SIROTA and GRIGORY SIROTA billed the victim insurance companies for medical treatments and services that were rendered by unlicensed and unqualified individuals, such as defendant GRIGORY SIROTA.

10. It was further part of the conspiracy that defendants ALEKSANDR SIROTA, ELIZABETH DEGUZMAN, and Co-Conspirator I.Z. fabricated and caused to be fabricated medical records and other documents to fraudulently induce the victim insurance companies to pay for medical treatments and services not actually rendered to patients.

All in violation of Title 18, United States Code, Section 1349.

**COUNT THREE**  
**(Health Care Fraud - Title 18, United States Code,  
Sections 1347 and 1349 and Section 2)**

1. The allegations set forth in Paragraphs 1 through 7 of Count One and Paragraphs 3 through 10 of Count Two of this Indictment are hereby realleged as if fully set forth herein.

2. From on or about April 9, 2004 through on or about May 3, 2004, the U.C. made at least 11 visits to the Elizabeth Office. On or about May 5, 2004, defendants ALEKSANDR SIROTA, ELIZABETH DEGUZMAN, and GRIGORY SIROTA and their aiders and abettors submitted and caused to be submitted a bill, and supporting documents and records, to L.M.I.G. that (a) falsely billed for numerous treatments and services not actually rendered to the U.C. between on or about April 9, 2004 and on or about May 3, 2004, including OMT, manual therapy, follow-up evaluations, ultrasound, and therapeutic exercises and activities; and (b) billed for electrical stimulation rendered by defendant GRIGORY SIROTA, an unlicensed and unqualified individual.

3. On or about May 5, 2004, in the District of New Jersey and elsewhere, defendants

ALEKSANDR SIROTA,  
a/k/a "Alexander Sirota,"  
GRIGORY SIROTA,  
a/k/a "Grisha Sirota," and  
ELIZABETH DEGUZMAN

knowingly and willfully executed and attempted to execute a scheme and artifice to defraud a health care benefits program, as

defined under Title 18, United States Code, Section 24(b), and to obtain, by means of false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of a health care benefit program, namely, an insurance plan provided by L.M.I.G., in connection with the delivery of and payment for health care benefits, items, and services.

In violation of Title 18, United States Code, Sections 1347 and 1349 and Section 2.



**COUNT FOUR**  
**(Health Care Fraud - Title 18, United States Code,  
Sections 1347 and 1349 and Section 2)**

1. The allegations set forth in Paragraphs 1 through 7 of Count One and Paragraphs 3 through 10 of Count Two of this Indictment are hereby realleged as if fully set forth herein.

2. From on or about May 5, 2004 through on or about June 4, 2004, the U.C. made at least 13 visits to the Elizabeth Office. On or about June 4, 2004, defendants ALEKSANDR SIROTA, ELIZABETH DEGUZMAN, and GRIGORY SIROTA and their aiders and abettors submitted and caused to be submitted a bill, and supporting documents and records, to L.M.I.G. that (a) falsely billed for numerous treatments and services not actually rendered to the U.C. between May 5, 2004 and on or about June 4, 2004, including OMT, manual therapy, follow-up evaluations, ultrasound, and therapeutic exercises and activities; and (b) billed for electrical stimulation rendered by defendant GRIGORY SIROTA, an unlicensed and unqualified individual.

3. On or about June 4, 2004, in the District of New Jersey and elsewhere, defendants

ALEKSANDR SIROTA,  
a/k/a "Alexander Sirota,"  
GRIGORY SIROTA,  
a/k/a "Grisha Sirota," and  
ELIZABETH DEGUZMAN

knowingly and willfully executed and attempted to execute a scheme and artifice to defraud a health care benefits program, as

defined under Title 18, United States Code, Section 24(b), and to obtain, by means of false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of a health care benefit program, namely, an insurance plan provided by L.M.I.G., in connection with the delivery of and payment for health care benefits, items, and services.

In violation of Title 18, United States Code, Sections 1347 and 1349 and Section 2.

**COUNT FIVE**  
**(Health Care Fraud - Title 18, United States Code,  
Sections 1347 and 1349 and Section 2)**

1. The allegations set forth in Paragraphs 1 through 7 of Count One and Paragraphs 3 through 10 of Count Two of this Indictment are hereby realleged as if fully set forth herein.

2. From on or about June 7, 2004 through on or about July 19, 2004, the U.C. made at least 14 visits to the Elizabeth Office. On or about July 21, 2004, defendants ALEKSANDR SIROTA, ELIZABETH DEGUZMAN, and GRIGORY SIROTA and their aiders and abettors submitted and caused to be submitted a bill, and supporting documents and records, to L.M.I.G. that (a) falsely billed for numerous treatments and services not actually rendered to the U.C. between on or about June 7, 2004 and on or about July 19, 2004, including OMT, manual therapy, follow-up evaluations, ultrasound, and therapeutic exercises and activities; and (b) billed for electrical stimulation rendered by defendant GRIGORY SIROTA, an unlicensed and unqualified individual.

3. On or about July 21, 2004, in the District of New Jersey and elsewhere, defendants

ALEKSANDR SIROTA,  
a/k/a "Alexander Sirota,"  
GRIGORY SIROTA,  
a/k/a "Grisha Sirota," and  
ELIZABETH DEGUZMAN

knowingly and willfully executed and attempted to execute a scheme and artifice to defraud a health care benefits program, as

defined under Title 18, United States Code, Section 24(b), and to obtain, by means of false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of a health care benefit program, namely, an insurance plan provided by L.M.I.G., in connection with the delivery of and payment for health care benefits, items, and services.

In violation of Title 18, United States Code, Sections 1347 and 1349 and Section 2.

**COUNT SIX**  
**(Health Care Fraud - Title 18, United States Code,  
Sections 1347 and 1349 and Section 2)**

1. The allegations set forth in Paragraphs 1 through 7 of Count One and Paragraphs 3 through 10 of Count Two of this Indictment are hereby realleged as if fully set forth herein.

2. From on or about July 26, 2004 through on or about August 23, 2004, the U.C. made at least 6 visits to the Elizabeth Office. On or about August 27, 2004, defendants ALEKSANDR SIROTA and ELIZABETH DEGUZMAN and their aiders and abettors submitted and caused to be submitted a bill, and supporting documents and records, to L.M.I.G. that falsely billed for numerous treatments and services not actually rendered to the U.C. between on or about July 26, 2004 and on or about August 23, 2004, including OMT, manual therapy, follow-up evaluations, ultrasound, and therapeutic activities.

3. On or about August 27, 2004, in the District of New Jersey and elsewhere, defendants

ALEKSANDR SIROTA,  
a/k/a "Alexander Sirota," and  
ELIZABETH DEGUZMAN

knowingly and willfully executed and attempted to execute a scheme and artifice to defraud a health care benefits program, as defined under Title 18, United States Code, Section 24(b), and to obtain, by means of false and fraudulent pretenses, representations, and promises, money and property owned by, and

under the custody and control of a health care benefit program, namely, an insurance plan provided by L.M.I.G., in connection with the delivery of and payment for health care benefits, items, and services.

In violation of Title 18, United States Code, Sections 1347 and 1349 and Section 2.

**COUNT SEVEN**  
**(Health Care Fraud - Title 18, United States Code,  
Sections 1347 and 1349 and Section 2)**

1. The allegations set forth in Paragraphs 1 through 7 of Count One and Paragraphs 3 through 10 of Count Two of this Indictment are hereby realleged as if fully set forth herein.

2. From on or about August 30, 2004 through on or about September 22, 2004, the U.C. made at least 4 visits to the Elizabeth Office. On or about September 22, 2004, defendants ALEKSANDR SIROTA and ELIZABETH DEGUZMAN and their aiders and abettors submitted and caused to be submitted a bill, and supporting documents and records, to L.M.I.G. that falsely billed for numerous treatments and services not actually rendered to the U.C. between on or about August 30, 2004 and on or about September 22, 2004, including OMT, manual therapy, follow-up evaluations, ultrasound, and therapeutic exercises and activities.

3. On or about September 22, 2004, in the District of New Jersey and elsewhere, defendants

ALEKSANDR SIROTA,  
a/k/a "Alexander Sirota," and  
ELIZABETH DEGUZMAN

knowingly and willfully executed and attempted to execute a scheme and artifice to defraud a health care benefits program, as defined under Title 18, United States Code, Section 24(b), and to obtain, by means of false and fraudulent pretenses,

representations, and promises, money and property owned by, and under the custody and control of a health care benefit program, namely, an insurance plan provided by L.M.I.G., in connection with the delivery of and payment for health care benefits, items, and services.

In violation of Title 18, United States Code, Sections 1347 and 1349 and Section 2.



**COUNT EIGHT**  
**(Conspiracy to Commit Money Laundering -**  
**Title 18, United States Code, Section 1956(h))**

1. The allegations set forth in Paragraphs 1 through 7 and 9 through 15 of Count One and Paragraphs 3 through 10 of Count Two of this Indictment are hereby realleged as if fully set forth herein.

2. As used in this Count, "financial transaction" has the meaning given it in Title 18, United States Code, Section 1956(c)(4).

3. From in or around August 2001 through on or about December 23, 2004, in the District of New Jersey and elsewhere, defendants

ALEKSANDR SIROTA,  
a/k/a "Alexander Sirota,"  
GRIGORY SIROTA,  
a/k/a/ "Grisha Sirota," and  
JACK MELMAN,  
a/k/a "Yaakov Melman"

knowingly conspired and agreed with each other, Co-Conspirator L.W., and others to conduct financial transactions affecting interstate commerce, which financial transactions involved the proceeds of specified unlawful activity, namely, health care fraud in violation of Title 18, United States Code, Section 1347, knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity:

a. with the intent to promote the carrying on of such specified unlawful activity, contrary to Title 18, United States Code, Section 1956(a) (1) (A) (i); and

b. knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of the specified unlawful activity, contrary to Title 18, United States Code, Section 1956(a) (1) (B) (i).

#### **Objects of the Conspiracy**

4. It was an object of the conspiracy for the defendants and their co-conspirators to engage in financial transactions with the proceeds of the health care fraud scheme to promote the continued operation of that scheme.

5. It was further an object of the conspiracy for the defendants and their co-conspirators to engage in financial transactions with the proceeds of the health care fraud scheme to conceal and disguise the nature, location, source, ownership, and control of the proceeds of such scheme.

### **Manner and Means of the Conspiracy**

6. It was part of the conspiracy that after defendant ALEKSANDR SIROTA and his co-conspirators fraudulently obtained money from insurance companies, as described in Counts One through Seven of this Indictment, defendant ALEKSANDR SIROTA transferred and caused to be transferred the proceeds of the health care fraud scheme into his TFS Account and ADS Account.

7. It was further part of the conspiracy that defendant ALEKSANDR SIROTA issued checks drawn on the TFS Account and ADS Account payable to his co-conspirators and their companies.

a. From on or about January 31, 2001 through on or about December 23, 2004, defendant ALEKSANDR SIROTA issued approximately 19 TFS checks and approximately 22 ADS checks to Continental, defendant GRIGORY SIROTA's company (hereinafter "TFS/ADS-Continental Checks"). These checks collectively totaled at least \$387,000.

b. From on or about August 2, 2001 through on or about March 31, 2003, defendant ALEKSANDR SIROTA issued approximately 4 TFS checks and approximately 2 ADS checks to Premier Sales, Co-Conspirator L.W.'s company (hereinafter "TFS/ADS-Premier Sales Checks"). These checks collectively totaled at least \$56,000.

### **TFS/ADS-Continental Checks**

8. It was further part of the conspiracy that defendant GRIGORY SIROTA deposited the TFS/ADS-Continental Checks into his Continental Account.

9. It was further part of the conspiracy that defendants ALEKSANDR SIROTA and GRIGORY SIROTA falsely characterized these transactions as payments for medical supplies and equipment provided by Continental to TFS and ADS. Continental was a shell company that sold little, if any, medical supplies and equipment to TFS and ADS.

10. It was further part of the conspiracy that defendant GRIGORY SIROTA issued checks drawn on the Continental Account to various companies, including Premier Sales. From on or about March 12, 2003 through on or about August 27, 2003, defendant GRIGORY SIROTA issued approximately 5 Continental checks to Premier Sales (hereinafter "Continental-Premier Sales Checks"). These checks totaled at least \$51,000.

**TFS/ADS-Premier Sales Checks**

11. It was further part of the conspiracy that defendant JACK MELMAN provided the TFS/ADS-Premier Sales Checks to Co-Conspirator L.W.

**Use of Premier Sales and Co-Conspirator L.W. to Launder Portions of the Proceeds**

12. It was further part of the conspiracy that Co-Conspirator L.W. deposited the TFS/ADS-Premier Sales Checks and the Continental-Premier Sales Checks into his Premier Sales Account.

13. It was further part of the conspiracy that after depositing the checks referred to in Paragraph 12 above of this Count, Co-Conspirator L.W. (a) withdrew cash from his Premier Sales Account through automated teller transactions; and (b) made checks, drawn on the Premier Sales Account, payable to himself or to cash.

14. It was further part of the conspiracy that Co-Conspirator L.W. deposited some of the checks drawn on the Premier Sales Account and payable to him, as described in Paragraph 13 above of this Count, into the L.W. Account, his personal bank account.

15. It was further part of the conspiracy that Co-Conspirator L.W. gave cash and checks back to defendant JACK MELMAN. These funds represented, in part, the proceeds of the TFS/ADS-Premier Sales Checks and the Continental-Premier Sales

Checks, referred to in Paragraphs 7b and 10 above of this Count, respectively. Co-Conspirator L.W. earned a five to seven percent commission from each transaction for his services.

16. It was further part of the conspiracy that defendant JACK MELMAN directed Co-Conspirator L.W. to create fictitious Premier Sales invoices addressed to TFS, ADS, and Continental. These invoices falsely represented that Premier Sales had (a) provided TFS and ADS with sales, marketing, and advertising services; and (b) sold various types of medical equipment and supplies, such as cold packs, heating pads, car seats, massagers, among others, to Continental. In fact, Premier Sales had not provided any legitimate services to TFS, ADS, or Continental, and had not sold these companies any medical supplies or equipment.

17. It was further part of the conspiracy that Co-Conspirator L.W. provided the fictitious Premier Sales invoices, addressed to TFS, ADS, and Continental, to defendant JACK MELMAN.

18. It was further part of the conspiracy that defendant ALEKSANDR SIROTA falsely claimed and caused to be claimed on his company's general ledgers that the transactions between TFS and Premier Sales and ADS and Premier Sales were for purchases of medical supplies.

19. It was further part of the conspiracy that defendant GRIGORY SIROTA falsely claimed and caused to be claimed on Continental's general ledger that the transactions between

Continental and Premier Sales were for purchases of medical supplies and equipment.

All in violation of Title 18, United States Code, Section 1956(h) .

**COUNTS NINE THROUGH TWENTY-ONE**  
**(Money Laundering - Title 18, United States Code,  
Sections 1956 and 2)**

1. The allegations set forth in Paragraphs 1 through 7 and 9 through 15 of Count One, Paragraphs 3 through 10 of Count Two, and Paragraphs 2 and 4 through 19 of Count Eight of this Indictment are hereby realleged as if fully set forth herein.

2. On or about the dates listed below, in the District of New Jersey and elsewhere, the defendants identified below, knowingly conducted and attempted to conduct financial transactions affecting interstate commerce, as more fully set forth in each count below, involving the proceeds of specified unlawful activity, namely, health care fraud in violation of Title 18, United States Code, Section 1347, knowing that the financial transactions were designed in whole and in part to conceal and disguise the nature, location, source ownership, and control of the proceeds of such specified unlawful activity, and knowing that the property involved in the financial transactions represented proceeds of some form of unlawful activity, as follows:



Count	Defendants	Approximate Date of Check Deposit	Description of Financial Transaction
NINE	ALEKSANDR SIROTA  JACK MELMAN	February 14, 2003	Check drawn on the ADS Account in the approximate amount of \$9,923.32 and deposited into the Premier Sales Account.
TEN	ALEKSANDR SIROTA  GRIGORY SIROTA	March 10, 2003	Check drawn on the ADS Account in the approximate amount of \$14,300 and deposited into the Continental Account.
ELEVEN	ALEKSANDR SIROTA  GRIGORY SIROTA  JACK MELMAN	March 12, 2003	Check drawn on the Continental Account in the approximate amount of \$9,660.70 and deposited into the Premier Sales Account.
TWELVE	ALEKSANDR SIROTA  JACK MELMAN	March 31, 2003	Check drawn on the ADS Account in the approximate amount of \$9,775.14 and deposited into the Premier Sales Account.
THIRTEEN	ALEKSANDR SIROTA  GRIGORY SIROTA	April 16, 2003	Check drawn on the ADS Account in the approximate amount of \$14,300 and deposited into the Continental Account.

Count	Defendants	Approximate Date of Check Deposit	Description of Financial Transaction
FOURTEEN	ALEKSANDR SIROTA  GRIGORY SIROTA  JACK MELMAN	April 30, 2003	Check drawn on the Continental Account in the approximate amount of \$9,660.59 and deposited into the Premier Sales Account.
FIFTEEN	ALEKSANDR SIROTA  GRIGORY SIROTA	June 4, 2003	Check drawn on the ADS Account in the approximate amount of \$14,300 and deposited into the Continental Account.
SIXTEEN	ALEKSANDR SIROTA  GRIGORY SIROTA  JACK MELMAN	June 5, 2003	Check drawn on the Continental Account in the approximate amount of \$9,890.71 and deposited into the Premier Sales Account.
SEVENTEEN	ALEKSANDR SIROTA  GRIGORY SIROTA	July 8, 2003	Check drawn on the ADS Account in the approximate amount of \$5,800 and deposited into the Continental Account.
EIGHTEEN	ALEKSANDR SIROTA  GRIGORY SIROTA	July 22, 2003	Check drawn on the ADS Account in the approximate amount of \$9,840.60 and deposited into the Continental Account.

Count	Defendants	Approximate Date of Check Deposit	Description of Financial Transaction
NINETEEN	ALEKSANDR SIROTA  GRIGORY SIROTA  JACK MELMAN	July 24, 2003	Check drawn on the Continental Account in the approximate amount of \$9,890.71 and deposited into the Premier Sales Account.
TWENTY	ALEKSANDR SIROTA  GRIGORY SIROTA	August 25, 2003	Check drawn on the ADS Account in the approximate amount of \$14,300 and deposited into the Continental Account.
TWENTY-ONE	ALEKSANDR SIROTA  GRIGORY SIROTA  JACK MELMAN	August 27, 2003	Check drawn on the Continental Account in the approximate amount of \$12,500 and deposited into the Premier Sales Account.

All in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i) and Section 2.

**COUNT TWENTY-TWO**  
**(Tampering With a Witness - Title 18,**  
**United States Code, Sections 1512 and 2)**

1. The allegations set forth in Paragraphs 1 through 7 of Count One of this Indictment are hereby realleged as if fully set forth herein.

2. Before on or about June 16, 2006, Co-Conspirator V.R. had filed a bankruptcy petition in the United States Bankruptcy Court for the District of New Jersey. S.F.I.C. was a creditor in Co-Conspirator V.R.'s bankruptcy action and had initiated litigation to assert and protect its interests in the bankruptcy matter (hereinafter "bankruptcy litigation").

3. On or before June 16, 2006, S.F.I.C., as a creditor in Co-Conspirator V.R.'s bankruptcy litigation, had scheduled and had attempted to schedule a deposition of Co-Conspirator V.R. for the purpose of taking his testimony under oath pertaining to matters regarding his professional medical corporation, V.R.M.D.P.A, and his finances, among other things (hereinafter the "bankruptcy deposition"). Co-Conspirator V.R.'s scheduled bankruptcy deposition pertaining to the bankruptcy litigation was an "official proceeding," as that term is defined in Title 18, United States Code, Section 1515(a)(1)(A).

4. On or about June 16, 2006, defendant ALEKSANDR SIROTA met Co-Conspirator V.R. in New Jersey for the purpose of discussing the pending bankruptcy deposition. During this conversation, defendant ALEKSANDR SIROTA told Co-Conspirator V.R. to deny their fee splitting arrangement, as described in Paragraph 12 of Count One of this Indictment, at the bankruptcy deposition, as follows in substance and in part:

[W]e'll be fighting it - no management ran the business. That is, sort of, so to speak, our only chance. Why? Because the way I understand the written laws that . . . fee splitting it's illegal. If any fee splitting was occurring that meant that the whole organization was illegal. That means that they [S.F.I.C.] have the right to demand the dough from day one and so on and so forth. That's why we had no fee splitting.

5. On or about June 16, 2006, in the District of New Jersey, and elsewhere, defendant

ALEKSANDR SIROTA,  
a/k/a "Alexander Sirota,"

knowingly, willfully, and corruptly persuaded another person, namely, Co-Conspirator V.R., and attempted to do so, with intent to: (a) influence, delay, and prevent the testimony of Co-Conspirator V.R. in an official proceeding, namely the bankruptcy deposition; and (b) cause and induce Co-Conspirator V.R. to withhold testimony from an official proceeding, namely the bankruptcy deposition.

In violation of Title 18, United States Code, Section  
1512(b) and Section 2.

A TRUE BILL,

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FOREPERSON

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CHRISTOPHER J. CHRISTIE  
United States Attorney